

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 6777**

**BILL NUMBER: SB 270**

**NOTE PREPARED: Jan 6, 2008**

**BILL AMENDED:**

**SUBJECT:** Jail Inmate Health Care.

**FIRST AUTHOR:** Sen. Wyss

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:**     **GENERAL**  
                              **DEDICATED**  
                              **FEDERAL**

**IMPACT:** Local

**Summary of Legislation:** This bill has the following provisions:

- A. It provides that a county shall reimburse a physician, hospital, or health care provider, at the reimbursement rate of the county's most prevalent employee health plan, for health care expenses of a person subject to lawful detention by a sheriff.
- B. It provides that a sheriff may not release a person who is subject to lawful detention for the purpose of the county avoiding payment of the person's health care expenses. It also requires a sheriff or deputy sheriff to remain at a hospital, in certain circumstances, while a person subject to lawful detention is receiving health care.

**Effective Date:** July 1, 2008.

**Explanation of State Expenditures:**

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** *Reimbursement for Health Care Services* – Any change in health care expenditures that counties spend on jailed inmates will depend on the arrangements that sheriffs in each county may currently have. Sheriffs with no contractual arrangements with health providers will generally be paying “billed charges” based on services rendered. These billed charges are the highest amount that the health care provider charges for supplies and services.

The rate that this bill proposes reflects an amount that is discounted from the billed charge that commercial insurers typically negotiate.

Presumably, sheriffs who do not have contractual arrangements for any type of discounted payment will pay less than the billed charge for inmate health care and thus save money under the bill. The specific savings will depend on the current health care plans that are selected by the most county employees in each county.

There are two unknown factors which could also affect future health care expenditures for the jailed inmates.

First, health care claims would need to be processed in order to determine the amount due. Presumably, there would need to be additional administrative charges assessed by the insurance carrier for claims processing.

Second, LSA has no data concerning any contractual arrangements that sheriffs may have with health care providers. Some arrangements may allow them to pay health care rates that are less than the formula stated in this bill. While this bill would not affect any existing contracts, any contracts effective after July 1, 2008, could not have payment rates less than what is described in this formula. Consequently, when these existing contracts expire, the new contracts would be more expensive for these counties.

*Persons in Lawful Detention Who Receive Health Care* – If county sheriffs or deputies must remain with a detained person while the person receives health care, the sheriff may need to assign additional duties to other deputies to ensure the same coverage of deputies throughout the county.

**Explanation of Local Revenues:**

**State Agencies Affected:**

**Local Agencies Affected:** County sheriffs.

**Information Sources:** Indiana Hospital Association; Indiana Sheriffs Association.

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